

## BASIC AID FUNDS ALLOCATION PROCESS

Basic aid refers to local property tax receipts that exceed general purpose revenue entitlement derived from the State of California funding formula. The process for identification and prioritization of basic aid allocations will follow this policy and is recognized to be an annual and dynamic process. Allocation of basic aid funds will be made based on District and college planning documents and supporting data. A reasonable amount of basic aid funds, no less than 20 percent, will not be allocated to ensure the availability of resources for potential unexpected needs of a significant nature.

In accordance with the vision, mission, strategic directions and planning documents of the District and colleges, the Board of Trustees will allocate basic aid funds for the following purposes:

1. Capital construction, facilities renovation, infrastructure projects, scheduled maintenance, and site development. These projects will follow District and college strategic plans, facilities master plans, 20-year Facility Condition Assessment Plan and Five Year Construction Plan;
2. Retiree benefit trust fund, pension stabilization trust fund, and other long-term obligations;
3. Trustee elections, legislative advocacy, major legal fees and judgments; and
4. Major technology initiatives as identified in the District and college technology plans.

Allocations must be used within five years on the specific project for which funding was allocated. The allocations identified in item one (1) and four (4) above will be based on the distribution ratios used in the funding model established in the District Resource Allocation Council (DRAC). If the DRAC ratio cannot be maintained between the colleges in a single year, future allocations will be adjusted to restore the ratio over a five-year period, if needed.

Annually the Board of Trustees shall determine and approve the Basic Aid allocations.

The Chancellor shall establish administrative regulations pertaining to the distribution and use of basic aid funds.